

BEFORE THE IDAHO BOARD OF TAX APPEALS

IN THE MATTER OF THE APPEAL OF JARED) APPEAL NO. 07-A-2641
ALEXANDER from the decision of the Board of) FINAL DECISION
Equalization of Valley County for tax year 2007.) AND ORDER
)

RESIDENTIAL PROPERTY APPEAL

THIS MATTER came on for hearing December 13, 2007, in Cascade, before Presiding Officer Steve Wallace. Board Members Lyle R. Cobbs, Linda S. Pike and David E. Kinghorn participated in this decision. Appellant Jared Alexander appeared. Assessor Karen Campbell, Chief Deputy Assessor Deedee Gossi and Appraiser Charles Pickens appeared for Respondent Valley County. This appeal is taken from a decision of the Valley County Board of Equalization denying the protest of the valuation for taxing purposes of property described as Parcel No. RPM04060010270A.

The issue on appeal is the market value of a residential property.

The decision of the Valley County Board of Equalization is modified.

FINDINGS OF FACT

The assessed land value is \$128,500, and the improvements' valuation is \$630,850, totaling \$759,350. Appellants request the improvements' value be reduced to \$475,000 and the land value increased to \$130,000 for a total valuation of \$605,000. At hearing Appellant agreed with the first assessment of subject improvements at \$525,710.

The subject property is a 1.140 acre parcel with a 3,125 square foot single-family residence located in McCall, Idaho.

Subject residence was finished in May 2006 and occupied in the Fall of 2006. Appellant presented evidence indicating the cost for construction was \$475,000. The land was purchased for \$130,185 in 2004. The total cost to purchase the land and build the residence was \$605,185.

Appellant explained two assessment notices were received. The first contained an improvement value of \$525,710. At hearing Appellant agreed construction costs plus some appreciation was reasonable, and accepted the \$525,710 improvement assessment. Appellant then received a second assessment notice in which the improvements value increased to \$630,850.

Taxpayer mentioned a spring under the home had caused an extreme amount of moisture and mold in the home. The problem had been somewhat corrected with a pump, drain, and fans. Even with the correction, taxpayer still asserts there is a stigma on subject which should warrant a reduction in assessed value. Appellant acknowledged that the County reduced subject land assessment by 5% to compensate for the water issues.

Appellant claimed the home next door to subject was similar in size, but enjoyed better views and had been recently remodeled, yet was only assessed for \$475,000.

Respondent was aware of the springs under the home and during an interior inspection of subject, did not detect moisture but noted work had been done to prevent moisture.

The County explained the State Tax Commission mandated a 20% positive trend be applied to the assessed values in subject's subdivision, resulting in the revised assessment.

Respondent provided five 2006 sales in subject's area; located in the same reappraisal area as subject. The sales were in average condition with a "Good +" grade and ranged in price from \$530,000 to \$635,000. Subject was assessed for \$630,850.

A sales listing sheet was presented to demonstrate that subject was on the market for \$999,000. Appellant explained that in September 2006 the listing price for subject was reduced to \$799,000 and maintained no potential buyers looked at the property.

CONCLUSIONS OF LAW

This Board's goal in its hearings is the acquisition of sufficient, accurate evidence to support a determination of fair market value. This Board, giving full opportunity for all arguments and having considered all testimony and documentary evidence submitted by the parties in support of their respective positions, hereby enters the following.

In assessing property for tax purposes, Idaho subscribes to market value as defined in Idaho Code § 63-201(10):

“Market value” means the amount of United States dollars or equivalent for which, in all probability, a property would exchange hands between a willing seller, under no compulsion to sell, and an informed, capable buyer, with a reasonable time allowed to consummate the sale, substantiated by a reasonable down or full cash payment.

Subject improvements were constructed in 2006 for \$475,000. Appellant agreed \$525,710 was an acceptable value for subject improvements.

Subject was assessed for \$759,350 as of the January 1 lien date for the 2007 tax year. The assessed value exceeds the construction costs by more than \$100,000.

A proper determination of the market value of taxable property should involve an analysis of multiple factors including the actual cost of the property and its actual sale value. Merris v. Ada County, 100 Idaho 59, 593 P.2d 394 (1979).

The court has consistently held that the only criterion for determining value of property for ad valorem tax purposes is the full cash or market value. Merris v. Ada County, 100 Idaho 59 at 63, 593 P.2d 394 (1979).

In this case, the Board agrees with Appellant that the 20% positive trend over estimated the value of subject. Therefore, the Board finds subject's improvement value to be \$525,710.

The decision of the Valley County Board of Equalization is therefore modified.

FINAL ORDER

In accordance with the foregoing Final Decision, IT IS ORDERED that the decision of the Valley County Board of Equalization concerning the subject parcel be, and the same hereby is, modified to reflect a decrease in the improvements assessed value to \$525,710, and the land valuation to remain at \$128,500 for a total assessed value of \$654,210.

IT IS FURTHER ORDERED that any taxes which have been paid in excess of those determined to have been due be refunded or applied against other *ad valorem* taxes due from Appellant.

DATED FEBRUARY 7, 2008